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SmartPay Newsletter

July 2004

Best Practices



Section 508 Micropurchase Exception

The FAR Council has agreed to extend Section 508 Micropurchase Exception from October 1, 2004 to March 1, 2005. No further extension will be granted. This extra six month period is intended to give agencies time to update their purchase card training modules on the 508 requirements and to implement necessary training of personnel.

This means that on or after March 1, 2005, all micropurchases for Electronic and Information Technology (EIT) will be subject to the same accessibility and exemption requires as large dollar buys. (Ref. FAR Subpart 39.2). A FAR rule will be issued in the near future.

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GSA SmartPay Program—Creditworthiness

The Office of Management and Budget (OMB) has taken the lead on determining the Government-wide approach to creditworthiness. In early June, OMB sent out their proposed approach to the CFC council for comments; the comment period has been slightly extended. OMB is still in the process of evaluating comments and at this time it is unknown whether there will be any changes based on agency comments received.

Once OMB finalizes the approach, agencies may still be required to negotiate with their unions to implement the requirement.

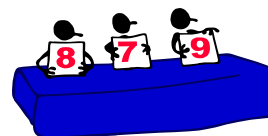
There was a question as to how OMB selected the FICO scores. The response was that, based upon information obtained from Fair Isaac (the company that created the FICO score), at a score of 660, 35% of the population would be below 660 and

12% would have no FICO score. Thus, approximately 47% of the applicants would not qualify for an unrestricted card. There was a discussion about concerns agencies had in using the SF-85 as the secondary method to evaluate creditworthiness. Issues included:

1. Who has access to this form;
2. The relevance of the data on the form, e.g., employees who have been with the same agency for a long time may have data that is 10, 20, or 30 years old; and
3. Whether the answers to the questions in Section 22 of the form would be sufficient to determine creditworthiness.

Actions GSA will take in regards to creditworthiness include:

1. Updating the System of Records to allow collection of Social Security Numbers for centrally billed accounts (including purchase card accounts; and
2. Modifying the Master Contract to allow banks to perform credit checks before opening purchase card accounts. The banks have expressed concern as to their liability for checking credit on individuals when they are in fact extending credit to the agency, not the individual applicant.



This is your newsletter. Feel free to send your comments and ideas to :

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Visa Scam—Prevent Phishing

Doug Michelman, Executive Vice President for Visa USA, said as many as 57 million Americans have been contacted in the past year by phishing scammers and that such scams had grown by 180% between March and April of this year. Phishers use e-mail and web sites to trick people into revealing personal finan-

cial data such as credit card numbers or secure passwords.

Dow Jones, Washington Post, Visa USA, BNA Banking Daily, Cardline, CBS News, the Treasury Department, the Better Business Bureau, Call for Action, the Federal Trade Commission, to name only a few, are announcing that they are joining together to prevent phish-

ing. The participants of this joint effort want to raise awareness about the scam and educate computer users on how to avoid being victimized. Visa USA hopes to establish what amounts to an online neighborhood watch that will help law enforcement officials reel in and land these internet predators.